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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 5, 2012

Lenny Boteilho
Ames Construction
3737 West 2100 South
West Valley City, Utah 84120

Re: Status of Permitting Actions, Ames Construction Company, Lincoln Pit, M/049/0086, Utah County, Utah

Dear Mr. Boteilho:

The Division of Oil, Gas and Mining has been informed that Ames Construction is planning to assume all permitting and operation responsibility for the Lincoln Pit and that OMAG will no longer be a part of this operation. This action is expected to expedite resolution of the outstanding permit deficiencies (dealing with BLM trespass and lease/sales agreements) which are now hindering final approval.

The Division was notified that Ames is trying to resolve an issue between OMAG, Ames, and the BLM regarding the current lease/sales before Ames takes over the full responsibility. The Division understands resolution should occur in the next few weeks.

For now, the Division will suspend review of the Notice of Intention to Commence Large Mining Operations (Notice), but it is necessary that the Notice be finalized as soon as possible. **No later than October 1, 2012, please provide either, 1) revised pages for the Notice showing modified operator information, or 2) a letter updating the Division on the status of negotiations.**

Because the Lincoln Pit is not approved, it is essential that the permitting process continue to progress and that you respond within specified timeframes to reviews and other requests for information. We appreciate the cooperation Ames has shown.

Please don't hesitate to call either me at 801-538-5261 or Lynn Kunzler at 801-538-5310 should you have any questions about this letter or if you have updated information.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB: Lk: eb

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